

(3) by adding after paragraph (24) the following new paragraph:

"(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family."

(c) CONFORMING AMENDMENTS —

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

**SEC. 302. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.**

(a) IN GENERAL — Section 457 (42 U.S.C. 657) is amended to read as follows:

**SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

"(a) IN GENERAL — Subject to subsection (e), an amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING ASSISTANCE.— In the case of a family receiving assistance from the State, the State shall—

"(A) pay to the Federal Government the Federal share of the amount so collected; and

"(B) retain or distribute to the family the State share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.— In the case of a family that formerly received assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.— To the extent that the amount so collected does not exceed the

amount required to be paid to the family for the month in which collected the State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE

"(I) PRE-OCTOBER 1997 Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1) as in effect and applied on the day before the date of the enactment of section 302 of the Personal Responsibility and